

Minutes*

Senate Committee on Finance and Planning
Tuesday, May 25, 1993
3:15 - 5:00
Room 238 Morrill Hall

- Present: Irwin Rubenstein (chair), David Berg, William Gerberich, Karen Geronime, Michael Hoey, Julie Idelkope, Karen Karni, Craig Kissock, Fred Morrison, Jeff von Munkwitz-Smith, Doris Rubenstein, Paul Sackett, Jason Schmidt, Mary Sue Simmons, Susan Torgerson
- Regrets: None
- Absent: Carl Adams, Virginia Gray, Thomas Hoffmann, Roger Paschke, Richard Pfitzenreuter, Thomas Scott
- Guests: Bob Baker (Manager, Parking Services), Senior Vice President Robert Erickson, Professor Charles Speaks, Assistant Vice President Paul Tschida
- Others: Ken Janzen (Regents' Office)

[In these minutes: strategic planning process and calendar; parking rate increases; budget principles resolution]

[Correction to the Minutes of May 18: The earlier estimated tuition surplus, from last fall, was \$2 million, not \$12 million; the estimates of tuition income, over the past decade, have not varied from the actual revenues by more than 1.5%. not 1%.]

1. Report of the Chair

Professor Rubenstein convened the meeting at 3:15 and inquired if the early retirement option being provided by the State would also apply to the University. It could, Mr. Erickson said, if the University wished to fund it, but there are options already available to the University employees. It would only apply to civil service employees, Mr. Berg reported, and Associate Vice President Carrier has told him that the present University retirement incentive plan is better than the State's.

2. Strategic Planning

Professor Rubenstein then noted that a special meeting of the Faculty Senate has been scheduled for June 3 to discuss the strategic planning questions. The strategic planning steering committee wants the discussion on these issues to be as wide as possible, and since the questions must be in more or less final form by the end of June, FCC thought a meeting would be helpful. Although analysis over the

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summer could produce additional issues for the strategic planning process, it will nonetheless be difficult to introduce major issues once the process of detailed analysis is underway.

The list of issues is already longer than what the University can reasonably address in this round of the planning process; some of them may have to be deferred or dealt with by the colleges.

Professor Rubenstein said he is aware that there is a lot of cynicism about planning, but given the strong interest of the Board of Regents and central administration in planning, this will be a significant effort. People will have only themselves to blame if they do not participate or contribute to the process.

Some units have already ended their academic year, one Committee member pointed out, and a number of faculty may not receive copies of the planning materials unless they happen to come into their office. Moreover, the materials will be distributed shortly before the long Memorial Day weekend and the Faculty Senate meeting will be shortly after it, so the likelihood of genuine faculty participation seems small.

One Committee member made several comments about the process thus far:

- There are two levels of questions missing. One is the questions ABOVE those to be addressed, such as "what does the University want to try to be?" Given the legislative actions, it is not clear that the University should want to try to be one of the top 20 research universities. If the University engages in planning on the basis of the questions posed, it must ask if it intends to align itself with the Stanfords, Michigans, and Berkeleys or with the South Dakotas, Nebraskas, and Wyomings.

The second missing level of questions is BELOW the ones posed: will there be implementation decisions as well as rhetorical answers? These are rhetorical questions with rhetorical answers; eventually one must get to resource allocation--when and how will that occur?

Mr. Erickson responded that the University is trying to gather a lot of information, with both internal and external analyses, in order to arrive at tough decisions. The concern now is whether the questions are broad enough so that there are not gaps in the information-gathering process. He agreed that it will be critical for resource allocation decisions to be informed, perhaps even dictated by, the strategic planning process; if they are not, the process is not worth much.

The University is known by the company it keeps, observed another Committee member, and right now that company is Washington, Michigan, Wisconsin, etc.--the University is certainly somewhere in the top 20. One can ask if there is a trend in one direction, but nothing will change fast. If there is a trend, it will only be a barely noticeable change in five years; the University will not SUDDENLY become like South Dakota. It will be up to the University to decide what it wants to be and who it wants to serve--and it will be up to the University to make the necessary sacrifices and decisions to make the decision become reality. The strategic planning questions are intended to set a direction, to set goals. It is at the unit level, where plans, objectives and resource allocation decisions are made, that the University will actually MOVE in the desired direction. Presumably unit planning will be informed by the direction the University intends to move. The resource allocation part of the process is not contained here, and it is

not supposed to be; that will come when units plans are integrated into the institutional plans, next spring, when the institution assigns priorities to those unit plans and makes budget decisions accordingly.

That does make clear what part of the process is now occurring, it was said. But the University's direction must be informed by the overall level of resources. If there is not enough money to operate as a major research university, then it is foolish to think that we can, and perhaps the University should think about more modest goals. No one FAVORS that option, and most would rather deal with increasing resources, but there has been no action taken to increase them. The University has three choices to retain quality, responded another Committee member: it can get smaller, get more efficient, or find more resources.

There has been a great deal of information made available about this process, one Committee member noted, going back several months, although much of it seems to rehash the same things. Some groups ARE paying attention, however, and discussing the issues. One concern, given the effort that is being put in, is whether or not there will be any reality to the planning, given the current fiscal situation. The process has a beginning, a middle, and an end, it was pointed out, and the right now it is at the beginning. The middle will come this fall, and the end will come with resource allocation decisions next spring. People should pay attention to what is going on, it was argued, because there will be decisions that affect them--based on what is done now.

The question about quality is "quality to do what?" One Committee member pointed out that SDSU and NDSU have quality to do the things they choose. Another of the strategic planning questions has to do with the distinctive roles of the campuses; the better question is whether they have roles appropriate for the University. It is to be hoped that the questions become more specific as the process proceeds. Professor Rubenstein said they would. There should also be a section, it was maintained, that addresses what the University should be. Morris, for example, changed the nature of its student body, so changed the nature of the services it provides and the programs it offers--because it became more focused on what it was doing. The honest question, if the University is to be a research university, is whether Crookston and Duluth and Morris and each of the Twin Cities colleges fit in. And ALL of the pieces of the University have to be examined, not just the campuses (e.g., experiment stations, extension service).

Discussion turned to the University's low graduation rate. One Committee member pointed out it is the lowest in the Big Ten (at 34% after six years; the next lowest in the Big Ten is about 50%, and the rate at the University of Washington, also an urban institution, is about 60%). This statistic may be symptomatic of much that is wrong with undergraduate education here that could be addressed in the next five years. It is likely, observed another Committee member, that the new financial aid rule governing student independence will have a negative impact on graduation rates. The University is playing in a national environment, it was noted. The low graduation rate may represent an inefficient use of state resources. Another Committee member suggested that this issue belongs at the next lower order level of questions.

There is nothing in the strategic planning questions, said one Committee member, about the needs of the state (such as what kind of graduates it will need). The decision was made a few years ago that more teachers were NOT needed, so the College of Education has been significantly downsized. What about the need for engineers or health care providers?

Student members of the Committee made a number of observations about the problems students face. Some are here a long time because they cannot get the classes they need; resources should be directed to the areas of student academic need. Other students can go for four years without seeing an advisor in their department--and then reach their senior year to discover they need additional work. The departments are not entirely to blame, and some REQUIRE students to see an advisory, but in many of them there is no individual attention. And in many cases students do not even know they have the OPTION of seeing an advisor--it never occurs to them that there are advisors they can see.

One can graduate in four years, said one student member of the Committee, but there are problems. One student enrolled in and failed the same math class all four years she was at the University, and it finally dawned on someone to find out if she had a learning disability (she did). Generally speaking, observed another Committee member, class availability has improved over the past four years--although that trend may be reversed as departments are forced to cut TAs and otherwise reduce budgets.

In many ways the Undergraduate Initiative is working, said another Committee member. But one hears a lot of lecturing by central administrators about improving the graduation rate and the legislature interest in it. One does NOT hear much, however, about whether or not students can graduate or what can be done to enhance their chances of success; most of the comments are about what students are doing wrong and that they are taking too long. The bottom line, added another Committee member, is that the University must identify where it should put resources in order to enable students to go through in a timely fashion.

3. Parking Rates

Professor Rubenstein next welcomed Mr. Robert Baker, Manager of Parking Services, to discuss the proposed parking rate increases. Mr. Baker said he wished to consult with the Committee (he has already spoken with the Assembly Committee on Support Services) and to seek its endorsement. He noted that there would be modest increases in 1993-94, following increases last in 1991-92. The money is needed primarily to cover inflationary increases in expenses and the building program.

Asked why charges for remote lots would increase more than other rates (.75 to 1.25), Mr. Baker explained that the cost would now pay for the shuttle service as well as parking. It is, he agreed, still a 30-cent increase because the round-trip shuttle fair is only 20 cents. The objective, however, is to bring parking rates in line with bus fares. There will be no change in carpool rates, he noted, and it is hoped that the program will be expanded by September; about 250 new carpool parking spaces will be added. There was discussion of several of the other rate proposals as well as about other forms of transportation.

When all other University departments are being asked to live within their budgets, asked one Committee member, why should Parking be exempt? Mr. Baker responded that his department cannot have deficits, that it has two years of inflationary increases to cover, and it has a building program calling for the addition/replacement of 5,000 parking spaces over the next five years at a cost of \$36 million. Parking must generate revenues in order to address the parking shortages and to remain self-sufficient.

There was discussion about the extent to which the University should build parking spaces and the congestion created by the availability of additional parking. Mr. Baker commented that a cap of 22,000 spaces has been set, which will be adhered to and indicated that congestion should not be a problem.

Parking also helps to subsidize the Route 52 commuter buses, he pointed out, which is a good investment. There are 75,000 to 80,000 people who come to campus each day, and there must be a mix of solutions--it cannot all be Parking.

Professor Speaks then recalled that in an earlier letter, Mr. Baker had said that charging departments for the Official University Vehicle Permits (hereinafter "permits") resulted in a substantial reduction in the number of permits issued, thus enabling them to meet one of their goals, that of reducing traffic congestion on campus. It appears, he observed, that congestion is important in one context--in the distribution of permits--but is not in another--the building of lots and ramps. Mr. Baker disagreed. The permit program, which previously provided permits without charge, meant that there were about 1000 permits issued for 90 spaces on the entire Twin Cities campus. Since the institution of the fee (equivalent to a contract parking spot minus sales tax), the demand has dropped to 267 permits; those who have them appreciate the fact they can find a space.

The relationship between parking and transit rates is important, Mr. Erickson told the Committee. This issue was discussed in early 1992; as a university in a major metropolitan area, it must be user-friendly. Many people come to University facilities; if the campus is not user-friendly, they will not come, and the University will forfeit part of its outreach responsibilities. Moreover, studies several years ago suggested that there was a severe shortage of parking spaces; that shortage was reconfirmed in a more recent evaluation, so the addition of the 5,000 spaces over the next few years is necessary. But the relationship between all modes of transportation is important to bear in mind, he concluded.

Mr. Tschida agreed with the proposition that the University generally, and in its parking, must be user-friendly. The Task Force on Support and Service Units, a few years ago, did a good job in identifying issues. Early parking policies, he said, were geared to mobile 18-22 year-olds, not the 60-year-old volunteers in the Goldstein Gallery. There is no need for another committee, but there is a need for a number of issues to be addressed.

There was a significant minority on the Parking and Transportation task force, it was recalled, who believed that the Official University Vehicle Permit program should be discontinued and the spaces used for handicapped parking. That is something the University should still consider, it was contended. The task force also identified about 2200 free parking spaces on campus; what has been done about those? Mr. Baker replied that they have almost all been eliminated; there are a few areas where issues are not finally resolved, but his department is committed to the proposition that all faculty and students will be treated fairly in that all will pay for parking.

Asked how many PEOPLE are represented by the planned addition of 2625 net new parking spaces, Mr. Baker said it varies with the facility. On average, University parking spaces turn over about 2.5 times per day.

One Committee member inquired about the funds set aside for depreciation; is it Mr. Baker's intent that he not need to propose revenue increases to replace parking facilities in the future? Mr. Baker affirmed that it was, assuming they can guess right about inflation and the life expectancy of the buildings. The current request is not because the wrong guesses were made in the past, it is because Parking only began depreciating its facilities about five years ago.

One of the student members of the Committee, noting how early the daily rate lots fill up, said that students who are forced to park in hourly-rate facilities end up paying \$30 per week in parking--and will now face a 13% increase. That is why additional spaces are being built, Mr. Baker said; Mr. Erickson pointed out that students can, if they allow themselves a little extra time, park in the transitway lots and take the shuttle for less money. The shuttle can also be improved, Mr. Tschida noted, in order to make remote and cheaper parking more effective.

One Committee member repeated the question of why Parking should be exempt from the requirement that it live within its current budget. Mr. Erickson explained that there was no increase in parking rates last year and the University must move forward in the maintenance and provision of services. The actual dollar increases in the rates are small, he noted.

Discussion then returned to the charges for Official University Vehicle Permits. Professor Speaks reported that his department, for example, has clinics that offer testing to handicapped patients, many of whom also are mobility impaired. They have had seven permits in order to permit these people to park near the clinic facilities; with the imposition of charges, his department would have to pay over \$1800 per year for the permits--which it cannot afford. He does NOT oppose a policy which eliminates free parking, Professor Speaks said, but he does oppose the adoption of a rigid policy which admits of NO exceptions. Nor can academic departments operate at a deficit, he said, and to tell him he should include the \$1800 in his budget request does not make sense when budgets, in a time of retrenchment, are what the dean tells a department it will get. The policy need not be rescinded but there should be allowances for exemption or alternative arrangements established. Mr. Tschida agreed that this was a legitimate issue that would be addressed.

Mr. Baker told the Committee, in response to a question, that parking patrons will not pay for the new police facility being constructed with the Washington Avenue ramp. Parking is lending the money for the construction but will be repaid.

It was then moved and seconded that the Committee NOT endorse the increased parking rates. The motion passed, with none opposed and one abstention.

Professor Rubenstein thanked Messrs. Baker and Tschida for joining the meeting.

4. Budget Principles

In response to a request from one of the members of the Committee, Professor Rubenstein distributed copies of the revised budget principles. It was contended that the revision made the language of section 5 (dealing with salaries) made the principles even more anti-employee than the last version the Committee saw.

One Committee member made the following motion:

Resolved, the Senate Committee on Finance and Planning expresses its deep concern and frustration that the failure again to provide salary increases will have negative effects on staff and faculty and will lead to a decline in the quality of this institution. We re-emphasize the need for a significant increase in the course of the biennium. Any salary adjustment

should be provided to all employees on an equitable basis.

One Committee member noted that this was pessimistic and cynical language and that it is to be regretted that declining morale leads to a decline in quality; one would hope that people would rise above adversity. Other Committee members responded quickly that faculty and staff will not do so much longer and that there is already a sharp negative reaction to the present circumstances. The lack of the response, said another, should be taken as an expression of the depth of the frustration, not acceptance.

The Committee voted unanimously in favor of the motion.

The Committee then agreed it would meet one week hence to review the budget proposal before it is sent to the Board of Regents.

The meeting was adjourned at 4:45.

-- Gary Engstrand

University of Minnesota